

July 15, 2010

Washington, D.C. – Congressman Jerry McNerney (CA-11) today voted to reform the National Flood Insurance Program, which provides flood insurance for more than five million homes and businesses. H.R. 5114, the Flood Insurance Reform Priorities Act, passed the House of Representatives today by a bipartisan vote of 329-90.

This legislation provides the first increase in flood insurance coverage limits since 1994 by raising the maximum limit for residences from \$250,000 to \$335,000. It also provides families with more flexibility by allowing them to pay for flood insurance in installments. In addition, H.R. 5114 establishes a National Flood Insurance Advocate office to assist homeowners and businesses in addressing issues with the Federal Emergency Management Agency (FEMA) related to the flood insurance program.

Today, Rep. McNerney also called on the administration and FEMA to prevent unacceptable increases in the cost of flood insurance for the many residents of Stockton who live in newly-designated flood zones and are required to purchase insurance policies.

Earlier this year, FEMA announced that for two years, low-cost flood insurance policies would continue to be made available to residents of a newly mapped flood zone in Stockton. However, FEMA delayed the effective date of this extension until January 1, 2011. As a result, residents who heeded FEMA's advice and purchased insurance early to take advantage of low rates but must now renew their policies before January 1, 2011 are facing substantially higher rates.

“Stockton residents shouldn’t bear the cost of FEMA’s mishandling of the situation,” said Rep. McNerney. “At a time when people are struggling to make ends meet, dramatically raising flood insurance rates is unacceptable. The administration should consider the devastating impact this will have on families and address this matter immediately.”

Rep. McNerney made a statement on the floor of the House of Representatives this morning with regards to this issue. The text of this statement is provided below.

“I rise in support of today’s flood insurance reform legislation, but to also express my deep frustration with FEMA’s decision to increase flood insurance rates for many residents of Stockton, California.

“Prior to issuing new flood maps last year for central Stockton, FEMA encouraged residents to purchase flood insurance early so they could take advantage of lower-cost, preferred rates. In May, FEMA decided to extend those preferred rates for two years – a welcome decision.

“But, for reasons that remain difficult to understand, FEMA delayed the effective date of extension until January of 2011 – effectively creating a ‘donut hole’ in the availability of preferred rate coverage. As a result, residents who must renew their policies before the end of the year are suffering rates many times higher than what they expected, placing a serious burden on family budgets.

“I urge FEMA, in the strongest possible terms, to allow Stockton residents to renew their policies without delay.”